

Monday, April 10, 2006

Jennifer J. Johnson, Secretary  
Board of Governors of the Federal Reserve System  
20th Street & constitution Avenue, N.W.  
Washington, D.C. 20551

Re: FRB Docket No. OP-1246; Proposed Interagency Guidance on concentrations in  
Commercial Real Estate; 71 Register 2302; January 13, 2006

Dear Ms. Johnson:

Thank you for taking the time to read my concern on the above mentioned docket. I do understand the need for sound commercial portfolios, but the proposed guidance will be placing an extreme hardship on community banks, and the communities that they serve.

The growth of community banks and the communities that they serve will be severely restricted, since very few, if any community banks will be able to meet the new proposed capital guidelines, and will therefore have to restrict their lending in those areas.

The definition of commercial real estate should be limited to nonowner occupied and non-consumer purpose real estate. Any loan, especially the inclusion of a consumer's future or secondary home construction, where the consumer is responsible for payment and not the commercial developer, should not be included in the definition.

Community banks have been encouraged in the past to secure their loans with real estate to provide additional security for the transaction. Under the new guidelines, this will probably discourage community banks from taking real estate and encourage them in taking less desirable or no collateral.

It would appear to me that the entire community banking industry is being punished for the errors of a few, maybe these new guidelines should be applied to the few instead of the many.

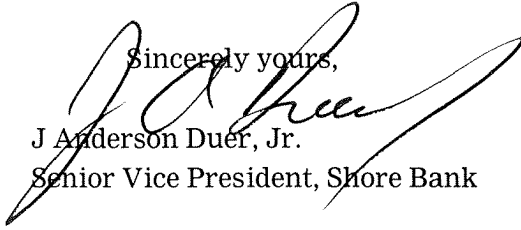
In conclusion, for community banks and the communities that they serve to grow and survive, this proposal should not be allowed to be enacted.

Thanks you for considering my request,

Sincerely yours,

J Anderson Duer, Jr.

Senior Vice President, Shore Bank

A handwritten signature in black ink, appearing to read "J Anderson Duer, Jr.", written over the typed name and title.